The Role of Job Satisfaction in Mediating the Effect of Work Discipline on Employee Performance at the Regional Office of the Directorate General of Treasury North Sumatra Province

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Abstract

Employee performance is an important factor in supporting the effectiveness of government tasks, especially in vertical agencies of the Ministry of Finance such as the Regional Office of the Directorate General of Treasury of North Sumatra Province. One factor that affects employee performance is work discipline, but this influence is not always direct and can be influenced by job satisfaction. This study aims to analyze the effect of work discipline on employee performance with job satisfaction as a mediating variable at the Regional Office of the Directorate General of Treasury of North Sumatra Province. This study uses a quantitative approach with a survey method. The research population consists of all 70 employees of the Regional Office of the Directorate General of Treasury of North Sumatra Province, with a saturated sample technique used for sampling. Data were collected through questionnaires and analyzed using Partial Least Squares (PLS) with the help of the SmartPLS application. The results show that work discipline has a positive and significant effect on employee performance and job satisfaction. Job satisfaction also has a positive and significant effect on employee performance. In addition, job satisfaction is proven to be able to significantly mediate the effect of work discipline on employee performance. These findings indicate that improving work discipline supported by good job satisfaction will encourage optimal improvement in employee performance. This study is expected to contribute theoretically to the development of human resource management in the public sector and to provide practical considerations for leaders in improving employee performance through strengthening work discipline and job satisfaction.

Keywords: Work Discipline, Job Satisfaction, Employee Performance

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Introduction

Employee performance is a key factor in supporting the effectiveness of government tasks, especially in vertical agencies of the Ministry of Finance such as the Regional Office of the Directorate General of Treasury (Kanwil DJPb) of North Sumatra Province. As an institution responsible for state fiscal management, budget implementation, work unit development, and ensuring the quality of government financial reports, the Regional Office of the Directorate General of Treasury is required to have high-performing employees to realize transparency, accountability, and accuracy in fiscal services.

One factor that influences employee performance is work discipline, which is the level of employee compliance with rules, procedures, working hours, and organizational operational standards. Good work discipline has been proven to have a positive effect on job satisfaction and employee performance in various public sector organizations, even when positioned alongside other factors such as compensation and career development (Sulistyono et al., 2025). Empirical studies show that work discipline increases job satisfaction, which in turn strengthens its influence on employee performance (Riwayati et al., 2025). Other studies also confirm that work discipline is directly related to the productivity and stability of employee performance in local government institutions (Sekolah Tinggi Ilmu Ekonomi Enam Enam Kendari, 2025).

However, the influence of work discipline on employee performance is not always direct in practice. Job satisfaction acts as a psychological mechanism that can strengthen the relationship between work behavior and individual performance outcomes. Employees who are satisfied with their jobs whether in terms of job content, work environment, or interpersonal relationships tend to show higher work commitment and a willingness to comply with work rules consciously, not merely out of obligation. Recent research shows that job satisfaction can mediate the influence of work discipline on employee performance, thereby promoting a more effective influence of discipline in the context of public organizations (Riwayati et al., 2025; Sulistyono et al., 2025).

In the environment of the North Sumatra Provincial Office of the Directorate General of Taxes, work dynamics such as high workloads during certain periods, the need for professionalism, and strict accountability standards require employees to not only be disciplined but also feel satisfied with their work. High job satisfaction is believed to encourage employees to work with greater motivation and commitment, thereby improving overall organizational performance.

Based on this description, this study is important to analyze the role of job satisfaction in mediating the influence of work discipline on employee performance at the Regional Office of the Directorate General of Taxes in North Sumatra Province. The results of this study are expected to provide academic contributions and practical recommendations for agencies in improving the quality of human resource management in the public sector.

Literature Review Employee Performance Definition of Employee Performance

Fitriyani (2024) defines employee performance as the work results achieved by individuals in carrying out their duties during a certain period, which reflect their contribution to the achievement of the organization's goals, vision, and mission.

Factors Affecting Employee Performance

According to Fitriyani (2024), the factors that influence employee performance are:

1) Competence

Competence describes the knowledge, skills, and attitudes that employees possess to carry out their work. Employees with high competence tend to be able to complete tasks more effectively and efficiently. 2) Work Discipline

Work discipline relates to employees' adherence to rules, work procedures, working hours, and willingness to comply with applicable standards. Good discipline will encourage consistent and accountable performance.

3) Job Satisfaction
   Employees who are satisfied with their work, work environment, superiors, and compensation tend to perform better.

Employee Performance Indicators

Fitriyani (2024) states that employee performance indicators are:

1) Work Quantity
   The number of tasks completed according to standards.
2) Work quality
   The quality of work results, accuracy, neatness, and compliance with standards.
3) Timeliness
   How timely the work is completed.
4) Attendance
   Level of attendance and adherence to working hours.
5) Teamwork
   Ability to work with coworkers and teams.

Job satisfaction Definition of Job Satisfaction

According to Atmaja (2022), job satisfaction is a pleasant emotional attitude and love for one's work.

Indicators of Job Satisfaction

According to Atmaja (2022), job satisfaction can be measured through several indicators that describe employees' emotional responses to their work. These indicators include:

1) Satisfaction with the Job Itself
   Describes the extent to which employees feel that their work is meaningful, interesting, and in line with their abilities.
2) Satisfaction with Salary/Compensation
   Refers to the level of employee satisfaction with the fairness, adequacy, and accuracy of the compensation received (salary, incentives, benefits).
3) Satisfaction with Promotion Opportunities
   Assessing whether employees feel they have opportunities for growth, to obtain higher positions, with a transparent and fair promotion process.
4) Satisfaction with Supervision/Superiors
   Describes employees' feelings about their superiors' leadership style, support, communication, and fairness in leadership.
5) Satisfaction with Coworkers
   Measuring the extent to which employees feel comfortable and supported by their coworkers, including aspects such as cooperation, social relationships, harmonious communication, and team solidarity.

Work Discipline Definition of Work Discipline

Mangkunegara (2021) defines work discipline as an individual's willingness to obey the rules and work standards set by the organization, as well as demonstrating responsibility in carrying out tasks consistently.

Indicators of Work Discipline

Mangkunegara (2021) explains that work discipline can be measured through several key indicators, namely:

1) Punctuality
   The ability of employees to arrive on time, start and complete work according to the predetermined schedule.
2) Compliance with Work Regulations
   The level of employee compliance with all rules applicable within the organization, both written (SOPs, policies) and unwritten.
3) Compliance with Work Standards

Employees' adherence to the quality and work procedures determined by the organization.

4) Attendance Rate
   The frequency of employee attendance at work, as well as the minimal number of absences without valid reasons.
5) Responsibility in Performing Duties
   Employees' attitude that demonstrates seriousness and willingness to complete work properly and maintain work facilities.

Conceptual Framework

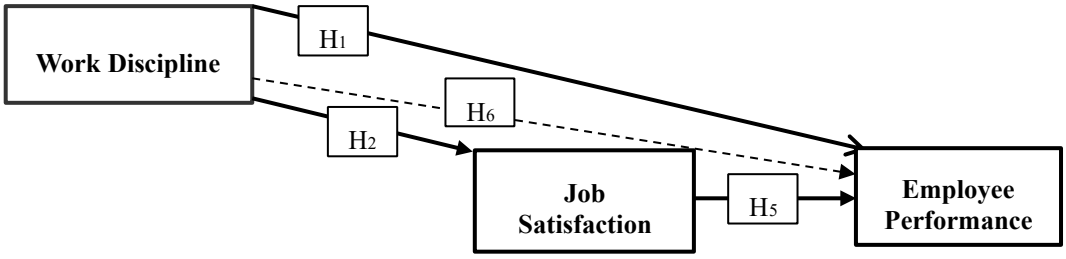

Figure 1. Conceptual Framework

Research Hypothesis

H_1 : Work discipline has a positive and significant effect on employee performance at the Regional Office of the Directorate General of Treasury of North Sumatra Province.

H_2 : Work discipline has a positive and significant effect on job satisfaction at the Regional Office of the Directorate General of Treasury of North Sumatra Province.

H_3 : Job satisfaction has a positive and significant effect on employee performance at the Regional Office of the Directorate General of Treasury in North Sumatra Province.

H_4 : Work discipline has a positive and significant effect on employee performance through job satisfaction at the Regional Office of the Directorate General of Treasury of North Sumatra Province.

Research Methodology Type of Research

The type of research used by the researcher is quantitative research. This type of quantitative research is conducted to create a study that aims to adjust a study and to analyze competence and work discipline on employee performance with job satisfaction as a mediating variable at the Regional Office of the Directorate General of Treasury of North Sumatra Province .

Research Location and Time

The research location was at the Regional Office of the Directorate General of Treasury of North Sumatra Province, located at Jalan Pangeran Diponegoro No.30a, Madras Hulu, Medan Polonia District, Medan City. The research was conducted over a period of 3 months, from October to December 2025.

Population and Sample

According to Sugiyono (2022), the population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions are drawn. In this study, the population consists of all employees at the Regional Office of the Directorate General of Treasury of North Sumatra Province, totaling 70 people. Due to the small population size, the entire population was used as the sample, which is more commonly known as a saturated sample.

Research Data Sources

The data source used in this study is primary data.

Results

Outer Model Analysis

Outer Model Analysis using *the PLS Algorithm* produced the following results: **Validity Test**

Table 1. Outer Loadings Values

	Competence	Employee Performance	Job Satisfaction
X1.1	0.875		
X1.2	0.905		
X1.3	0.851		
Y.1		0.904	
Y.2		0.781	
Y.3		0.834	
Y.4		0.856	
Y.5		0.886	
Z.1			0.703
Z.2			0.847
Z.3			0.861
Z.4			0.905
Z.5			0.782

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, which show the results of outer model testing through loading factor/outer loadings values, all indicators in each variable have a loading value ≥ 0.70. This indicates that each indicator is measured validly and strongly. Therefore, it can be concluded that all items in the questionnaire have met the validity criteria, as shown in the following figure.

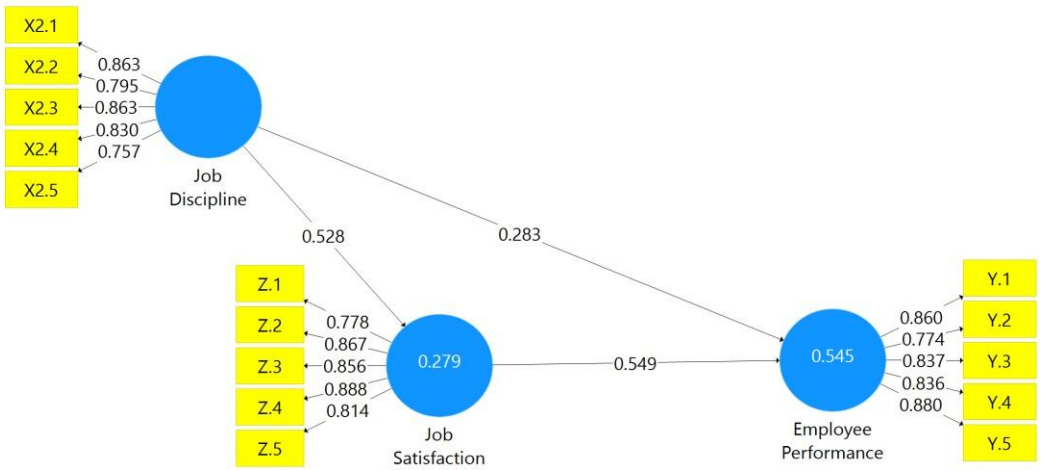

Figure 2. Outer Loading

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Competence	0.850	0.850	0.909	0.769
Employee Performance	0.906	0.913	0.930	0.728
Job Satisfaction	0.879	0.906	0.912	0.677

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that the Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and suitable for use in structural model testing.

Coefficient of Determination (R^2)

In assessing the model with PLS, we begin by looking at the R-square for each dependent latent variable. The table below shows the Rsquare estimation results using SmartPLS.

Table 3. R Square Results

	R Square	Adjusted R-Square
Job Satisfaction	0.158	0.145
Employee Performance	0.581	0.568

Source: Smart PLS, 2025

Table 3 shows the R square values for both dependent variables. For the job satisfaction variable, the R square value is 0.158, meaning that the influence of work discipline is 0.158 or 15.8%, with the remainder attributable to other variables outside the model. The R-square value for employee performance is 0.581, meaning that work discipline and job satisfaction account for 0.581 or 58.1%, with the remainder attributable to other variables outside the model.

Structural Model Testing (Inner Model) Hypothesis Testing Direct Influence Between Variables

The direct effect between variables can be seen in the *path coefficients*. The data analysis results show the direct effect values in the following table.

Table 4. Path Coefficients (Direct Effects)

	Original Sample	T Statistics	P Values	Conclusion
Job Discipline -> Employee Performance	0.283	6.857	0.000	Accepted
Job Discipline -> Job Satisfaction	0.528	13,655	0	Accepted
Job Satisfaction -> Employee Performance	0.549	14,124	0	Accepted

Source: Smart PLS Output, 2025

Table 4 shows the following direct effect values:

1. Work discipline has a positive and significant effect on employee performance with a tstatistic value of 6.857 above 1.96 and a significance of 0.000 below 0.05, meaning that work discipline has a real effect on employee performance because the significance value is below 0.05. The results of this study are in line with previous studies, namely that work discipline has a positive and significant effect on employee performance (Fithrya & Rahayu, 2025).
2. Work discipline has a positive and significant effect on job satisfaction with a t-statistic value of 13.655 above 1.96 and a significance of 0.000 below 0.05, meaning that work discipline has a real effect on job satisfaction because the significance value is below 0.05. The results of this study are in line with previous studies, namely that work discipline has a positive and significant effect on job satisfaction (Simanjuntak & Indrawan, 2024).
3. Job satisfaction has a positive and significant effect on employee performance with a tstatistic value of 14.124 above 1.96 and a significance of 0.000 below 0.05, meaning that job satisfaction has a significant effect on employee performance because the significance

value is below 0.05. The results of this study are in line with previous studies, namely that job satisfaction has a positive and significant effect on employee performance (Supardam et al., 2024; Wahyuni & Anwar, 2025).

Indirect Influence Between Variables

The indirect effect between variables can be seen in the *specific indirect effects* value. The data analysis results show the indirect effect value in Table 5 below.

Table 5. Specific Indirect Effects

	Original Sample	T Statistics	P Values	Conclusion
Job Discipline -> Job Satisfaction -> Employee Performance	0.290	9.797	0.000	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect influence between variables, namely: work discipline has a positive and significant effect on employee performance through job satisfaction with a tstatistic value of 9.797 above 1.96 and a significance value of 0.000 below 0.05, meaning that job satisfaction acts as an intervening variable between discipline and employee performance.

Conclusion

1. Work discipline has a positive and significant effect on employee performance at the Regional Office of the Directorate General of Treasury of North Sumatra Province.
2. Work discipline has a positive and significant effect on job satisfaction at the Regional Office of the Directorate General of Treasury of North Sumatra Province.
3. Job satisfaction has a positive and significant effect on employee performance at the Regional Office of the Directorate General of Treasury of North Sumatra Province.
4. Work discipline has a positive and significant effect on employee performance through job satisfaction at the Regional Office of the Directorate General of Treasury of North Sumatra Province.

Recommendations

1. Employee performance with the lowest score was "The work I do meets the specified quality standards." Therefore, the recommendation is that the Regional Office of the Directorate General of Treasury of North Sumatra Province should strengthen work quality standards by improving employee competence, conducting continuous performance evaluations, and creating supportive job satisfaction so that employee work results can consistently meet the specified quality standards.
2. Job satisfaction with the lowest score was "I am satisfied with the type of work I am currently doing." The Regional Office of the Directorate General of Treasury of North Sumatra Province needs to maintain and improve the suitability of assignments with employee competencies through clear job management and targeted career development so that employee job satisfaction levels are maintained and have a positive impact on performance.
3. Work discipline with the lowest score being "I comply with all work regulations set by the agency." The Regional Office of the Directorate General of Treasury of North Sumatra Province needs to maintain consistency in the implementation of work regulations, accompanied by guidance and leadership by example, so that employee discipline levels are maintained and contribute positively to performance improvement.

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